

FISCAL IMPACT STATEMENT ON BILL NO. **S.204**

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| TO: | The Honorable Hugh Leatherman, Chairman, Senate Finance Committee | | |
| FROM: | Office of State Budget, Budget and Control Board | | |
| ANALYSTS: | Bryce Wilson | | |
| DATE: | January 18, 2005 | SBD: | 2005102 |

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| AUTHOR: | Senator J. Verne Smith | PRIMARY CODE CITE: | 59-150-375 |
| SUBJECT: | Visual or Hearing Impaired Student - Scholarships | | |

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See Below

BILL SUMMARY:

This Bill amends the Code of Laws by adding Section 59-150-375, to provide that certain visual or hearing impaired students may receive State scholarship funds to attend out-of-state institutions that specialize in educating visual or hearing impaired students. The Commission on Higher Education (CHE) would have to recommend that attending the out-of-state institution would benefit the student more than attending an in-state institution.

EXPLANATION OF IMPACT:

The HOPE, Lottery Tuition Assistance Program at the two-year Technical Colleges, and the Palmetto Fellows scholarship programs are funded from various sources. These sources include the State General Fund, Education Lottery account and from Commercial Nuclear Waste Tax revenue. Both the Lottery Tuition Assistance Program and HOPE scholarships operate with a finite annual appropriation with the funds being distributed among eligible students. However, the Palmetto Fellows scholarship appropriation is "open-ended". Although CHE indicates the number of additional qualifying students is unknown, if five additional students were to receive a Palmetto Fellows scholarship upon enactment of this Bill the impact on the General Fund of the State and/or the Education Lottery account would be \$33,500 (max award amount \$6,700 X 5). Based on evaluating five students per year, CHE estimates \$10,000 in administrative costs to make the evaluation and monitor and track student performance. However, CHE anticipates additional administrative costs if the number of students who qualify is significantly higher.

The impact on the General Fund is at the General Assembly's discretion. This initiative could be funded with State General Funds and/or Education Lottery proceeds.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Don Addy
Assistant Director, Office of State Budget